



NEWS RELEASE

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**FOR IMMEDIATE RELEASE
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**POLAR TANKERS, INC. PLEADS GUILTY IN FEDERAL COURT
TO FAILURE TO MAINTAIN AN OIL RECORD BOOK**

Anchorage, Alaska – United States Attorney Nelson P. Cohen announced today, October 23, 2007, that Polar Tankers, Inc. of Houston, Texas, was sentenced in federal court in Anchorage to pay a fine of \$500,000 and community service in the form of a \$2,000,000 payment to the National Fish and Wildlife Foundation to fund environmental projects to protect and preserve the waters along the Alaska coast and in Prince William Sound. Polar Tankers was also sentenced to three years probation and ordered to fund and comply with an environmental compliance plan. Polar Tankers pled guilty and was sentenced for failure to properly maintain an oil record book.

Polar Tankers, Inc. entered into a plea agreement with the government and pled guilty to failure to maintain an oil record book on the T/V POLAR DISCOVERY, a 895 foot crude oil tanker in violation of 33 U.S.C. section 1908(a) of the federal Act to Prevent Pollution from Ships. That statute requires vessels, such as the T/V POLAR DISCOVERY to record all transfers of oil and oily waste occurring on the vessel, including emergency or accidental discharges of oily waste.

Senior United States District Court Judge H. Russel Holland imposed the sentence on Polar Tankers, Inc.

According to information presented to the court by Assistant United States Attorney Karen Loeffler, Polar Tankers Inc., operated and controlled the T/V POLAR DISCOVERY as part of it's fleet of tankers. On January 16, 2004, the crew of the T/V POLAR DISCOVERY caused an accidental discharge of oily sludge overboard into the ocean. The crew then took steps to hide the discharge and failed to record the transfer in the ship's Oil Record Book. Additionally, rather than recording that the tanker had slowed and turned into the wind to clean oil from the side of the ship, the Captain reported to the company that the ship had performed a man overboard drill. The situation may have gone undiscovered had a crew member not come forward to the Coast Guard with critical information. Pursuant to the Act to Prevent Pollution from Ships, Judge Holland awarded one half of the criminal fine to that crewman. Polar Tankers informed the court that they terminated the employment of all supervisory personnel involved, including the Captain, and cooperated with the investigation into the incident.

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Prior to imposing sentence, Judge Holland stated that the agreement to the maximum fine acknowledged the seriousness of the charge and sent a “strong message that proper record keeping is important.” Judge Holland also commended Polar Tankers for “stepping up to the plate and doing the right thing.”

"The marine protection laws were enacted to prevent the oceans and waterways from being used as dumping grounds for waste," said Granta Nakayama, assistant administrator for EPA's enforcement and compliance assurance program. "Today's plea and sentence shows that the government will not tolerate the disregard of these laws and that violators will be held accountable."

Mr. Cohen commended the Environmental Protection Agency–CID, the Coast Guard Investigative Services, and the Coast Guard Marine Safety Unit Valdez for the investigation leading to the successful prosecution of Polar Tankers, Inc.

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